

Automated Commercial Environment—Requirements Recommendation

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Requestor:	Trade Coalition ¹
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Requirement

At time of import into the US, importers must rely upon the accuracy of commercial data from the shipper for information required for entry. However, until merchandise is received by the importer, merchandise data validated and the price determined and paid, the shipper's information is subject to revision in the normal course of business. Currently, for purposes of Reconciliation, Customs has limited the categories of issues that may be reconciled to those that it considers unrelated to the admissibility of imported merchandise. The trade community and Customs have been engaged in an active discussion about what is truly related to admissibility and thus excludable from Reconciliation. As it is the Trade's contention that additional elements should be reconcilable and it is possible for Customs policy to change, the ACE system design should contemplate the expansion of the data elements that can be revised. From a systems point of view, all data elements should be subject to revision through the filing of a post-entry amendment or reconciliation transmitted to ACE.

As to the issues which Customs allows to be flagged as reconcilable ("elements of an entry"), Customs has required broad flags such as "value" instead of narrow flags such as "value – assist" in order to identify issues to be kept open for reconciliation. The advantage of a broad flag is that it provides an opportunity to reconcile issue aspects that may have been unanticipated at time of flagging but which are discovered prior to the filing of a Reconciliation. (By allowing retroactive flagging (ENT-010) importers' hands will not be tied by overly limiting flags.) The virtue of narrow flags is that it reduces contingent liabilities. Customs has stated that if all entries from a given year have been flagged for value, then until the subsequent Reconciliation liquidates, all entries are open for all value issues. If a narrow flag is used, then only those specific elements will remain open. For example, if an IASS line is flagged for dutiable commissions, then only the merchandise in that line would be open and only for dutiable commissions.

Business Need

Design capability for flexible use of either broad issue or specific issue flags. Allow for enough flag designations to cover the multiplicity of issues that may be subject to reconciliation.

Technical Need

Benefits

Importers will have an incentive and means to insure that the government is ultimately provided with accurate data.

¹ Richard M. Belanger, ERP III Letter to Stuart Seidel, April 10, 2001.

Risks

Related Subcommittees

Priority: **Critical** ☐ **High** ☐ **Medium** ☐ **Low** ☐